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FISCAL IMPACT STATEMENT

LS 6477

BILL NUMBER: HB 1213

NOTE PREPARED: Dec 16, 2009

BILL AMENDED:

SUBJECT: Twenty-First Century Scholars Program.

FIRST AUTHOR: Rep. Pryor

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a student who: (1) is enrolled in grade 9, 10, 11, or 12; and (2) did not meet certain qualifications in grades 6, 7, or 8 for the Twenty-First Century Scholars Program; to apply and qualify for the Twenty-First Century Scholars Program if the student meets certain requirements, including the income requirement, at the time the student applies for the Twenty-First Century Scholars Program.

Effective Date: July 1, 2010.

Explanation of State Expenditures: The bill would increase the number of students enrolled in the Twenty-First Century Scholars Program and increase the number of students that might be eligible for the scholarship since the income eligibility is extended from grades 6 to 8 to grades 6 to 12. Currently, students signing up for the program in grades 6 to 8 must meet the income eligibility guidelines when they enroll. The bill allows students that did not meet the income qualification in grades 6 to 8 to enroll in grades 9 to 12 if they meet the income qualifications when they apply and have not used drugs or committed a crime before applying. This change will impact the number of students who could sign up for the program and potentially increase the number of students who will be eligible to receive a scholarship.

The State Student Assistance Commission could have additional administrative expenses in processing the increased number of applications. There are about 80,000 students in each grade. The commission currently enrolls about 10,000 students per year. The increased cost would depend on how the applications are processed and what information is required to verify that the student was eligible for free or reduced price lunches under the national school lunch program.

If more students become eligible to receive a scholarship due to the expansion of the income eligibility to grades 9 to 12, the number of scholarships could increase. Assuming a 5% increase in the average value of scholarships per year, the average scholarship in FY 2011 would be about \$2,804. If there was a 50% increase in the number of scholarships, or about 5,000 new students qualifying, the increased cost of the scholarships would be about \$14 M.

Background: The Twenty-First Century Scholars Program provides students who meet the income eligibility requirements (being eligible to receive free or reduced price lunches under the national school lunch program) , fulfill a pledge to maintain a 2.0 grade-point average, and be drug free, are guaranteed a four-year education at a public higher educational institution. Students enroll in the program as 6th, 7th, or 8th graders. The annual enrollment into the program has varied from about 7,500 students to 10,600 students in grades 6 to 8. The number of 21st Century Scholarships used in 2007 was 9,875 with an average scholarship of \$2,308.

Explanation of State Revenues:

Explanation of Local Expenditures: Local schools could incur some additional expense in processing the increase in the applications for the Twenty-First Century Scholars Program. The increase would probably be minor.

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission.

Local Agencies Affected: Local schools.

Information Sources: State Student Assistance Commission.

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